GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2150
ANSWERED ON:11.08.2006
QUOTING PAN CARDS
Madhwaraj Smt. Manorama

Will the Minister of FINANCE be pleased to state:

(a) whether Permanent Account Number (PAN) is not quoted by a large number of assessees in their Annual Information Report (AIR);
(bj if so, the details thereof and the reasons therefor;

(c) whether absence of PAN in high value transaction cause difficulties;

(d) if so, the details thereof and reaction of the Government thereon; and

(e) steps taken/being taken by the Government to intensity the veracity of data about high value transaction?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) :

(a) PAN has not been quoted by the AIR filers in respect of a large number of transactions relating to financial year 2004-05.

(b) Out of 17,52,653 transactions reported in the AIR for the financial year 2004-05,in respect of 10,70,392 transactions, PAN has not been quoted by the AIR fiJers. Reasons for the same include the fact that
(i) financial year 2004-05, being the first year for which transactions were reported under the AIR scheme, banks had a legacy data relating to bank accounts, credit cards etc., where PAN of the respective parties may not have been captured;
(ii) in respect of certain transactions under AIR, quoting of FAN was made obligatory only on 1st December, 2004;
(iii) any person who does not have a PAN can enter into the specified transactions after making a declaration in Form 60/61 giving the particulars of such transaction.

(c) Absence of PAN in high value transactions creates difficulties in collation of the AIR data.

(d) In order to deal with this problem, workshops have been organized to educate the AIR filers about the requirement to obtain and quote PAN of the transacting parties. Letters have also been written to various bodies,including Mutual Fund authorities, Banks, Sub-Registrars etc. requesting them to quote PAN of the transacting parties.

(e) The Government has issued detailed instructions to the Income-tax authorities for verification of the ADRI data and for selecting cases for scrutiny.